

~~CONFIDENTIAL~~  
Central Intelligence Agency

[C19] 61-82-100032-m-]

DIRECTORATE OF INTELLIGENCE

19 March 1982

Italy: Political Update

Summary

Prime Minister Spadolini's government has enjoyed a number of publicity successes in recent weeks -- notably the rescue of General Dozier, the arrest of numerous suspected terrorists, and the detection of a Soviet submarine in the Gulf of Taranto -- but the underlying problems facing the coalition remain as insistent as ever. Although Spadolini is likely to remain in office at least until the Christian Democrats hold their congress in late April, the possibility that the coalition will split before then over any of several issues -- not the least of which is the budget -- cannot be discounted. The congress is almost certain to be followed by yet another meeting of the leaders of the coalition parties to consider the future of the present governing formula.

Despite recent polls which show Spadolini among postwar Italy's most popular prime ministers, his future and the future of his government remain hostage to the continuing duel between the Christian Democrats and the Socialists. The two parties originally turned to Spadolini only because they were unable to agree on a candidate from among their own ranks. To their chagrin, Spadolini has remained in office longer and proved more effective than they anticipated.

[EUR M 82-10032]

This memorandum, requested by [redacted]

[redacted] Office of European Analysis. Research was completed on 18 March 1982. It was coordinated with the Acting National Intelligence Officer for Western Europe. Questions and comments may be addressed to the [redacted] Office of European Analysis, [redacted]

~~CONFIDENTIAL~~

[3]

[10 14 13 74]

~~CONFIDENTIAL~~

The Socialists, who have come to see the Spadolini experiment as a bridge to a government headed by their own leader Bettino Craxi, have grown progressively more restless and are now eager to claim their prize. To date, Craxi has been unable to find an issue that would enable him both to force an early election and escape the onus for initiating still another period of political uncertainty. Italian voters have traditionally punished the party that precipitated a political crisis.

Craxi and his Social Democratic allies have, however, continued to direct a steady drumroll of criticism against the Prime Minister. The Socialists caused Spadolini considerable embarrassment last month by taking vociferous exception to Foreign Minister Colombo's pro-Duarte remarks on El Salvador. More recently, they initiated a cabinet squabble over some uncoordinated policy remarks by Treasury Minister Andreatta. Both incidents prompted speculation that a crisis was imminent, but in both cases Craxi seemed more interested in gaining a psychological advantage from pushing Spadolini to the brink than in actually trying to topple him. If a suitable opportunity were to present itself, however, Craxi would be sorely tempted to shift his tactics and become more aggressive.

Last summer the Christian Democrats believed that surrendering the premiership would not cause them undue distress. After further reflection, they conclude that they have not only lost an important symbol of their authority, but may also have hastened the decline of their electoral support. Moreover, party leaders are concerned that a decision to maintain the present governing formula may mean that it will be some time before they can lay claim to the post again. Despite their desire to regain the premiership, the Christian Democrats have thrown their full support behind Spadolini's efforts to counter Craxi's machinations. DC leaders are divided over a host of issues, but they agree that they are in no shape to face parliamentary elections any time soon. Party Secretary Piccoli has calculated that the DC needs at least until the fall to prepare for an election.

In line with the DC effort to keep Craxi at bay, Piccoli has insisted that serious negotiations over Spadolini's future can not take place until after the party congress, which the Christian Democrats have allowed to slip from late February to the end of April. Although the postponement has been attributed to disagreement over the procedures for electing a new party secretary, party leaders are well aware that the longer they wait the narrower the "crisis window" available to Craxi becomes. If the Socialists can be restrained from precipitating a crisis

~~CONFIDENTIAL~~

[10 14 13 7 4 3]

~~CONFIDENTIAL~~

until early May, their chances of bringing about an election before late fall will be reduced considerably.

The Communists, for their part, are currently preoccupied with internal strains raised by their dispute with Moscow over Poland. The polemics do not seem likely to lead to a formal break in relations between the Italian and Soviet parties, but they have substantially widened the ideological gap. Party leader Berlinguer and his associates have been surprised by the degree of opposition at the party base to their stand, and there are now indications that party leaders are anxious to find ways to reassure the rank and file without appearing to back away from their position.)

Like the Christian Democrats, the Italian Communists remain firmly opposed to an early election, fearing that under present circumstances they too would suffer a serious setback. But, while the set-to with Moscow has created problems with the Communist rank and file, it has also moved a large number of Italy's political elite to view the PCI in a more favorable light. Berlinguer has taken the opportunity to call upon the Socialists to work with the Communists to construct an "alternative government of the left." Even though Craxi believes that a step in this direction is premature, he has agreed to establish a number of joint study groups to explore possible cooperation with the Communists on specific policies.

The weeks ahead are likely to see continued jockeying among the three major parties, but Prime Minister Spadolini's government should last at least until the beginning of May. In choosing a new party leader and deciding policy on alliances with other parties, the coming Christian Democratic congress will be passing judgment on the current governing formula. Particularly hard bargaining lies ahead for the Socialists and the Christian Democrats. If either party concludes that the other is acting in bad faith, each will be tempted to consider an alternative working arrangement with the Communists.

-3-  
~~CONFIDENTIAL~~

[10 14 13 7 4 4]